

# Management of LEADER is not an extra economic cost, if not an investment in the territories

## SPANISH RURAL DEVELOPMENT NETWORK

*Interview with **Eduardo Serrano Padial**, Evaluator of the Unit A3 “Policy Performance” of the Directorate-General agriculture and Rural Development (DG Agri) of the European Commission.*

At the end of last year, DG DR of the European Commission published a special report on the LEADER programme, entitled “**Study to support the assessment of the costs and benefits of the implementation of LEADER**”, which highlighted the importance and effectiveness of the implementation of this programme in Europe. The study wanted to determine whether the LEADER approach generates benefits that justify the additional costs and risks involved. For the first time, it was possible to assess the impact of LEADER through a mixture of qualitative, quantitative and technical measures, together with valuation analyses carried out across three territorial levels. The report also produced several recommendations from DG Agri, such as the need to further reduce the administrative burden for Local Action Groups (LAGs) and define new indicators and “fact data” to assess the added value of the LEADER programme in a relevant and concrete way. **The Spanish Rural Development Network (REDR) has**

**spoken with Eduardo Serrano Padial, Evaluator of Unit A3 “Policy Performance” of the Directorate-General for Agriculture and Rural Development (DG Agri) of the European Commission, for his opinion on this report and other issues, especially related to the LEADER evaluation.**

**Question: DG Agri’s latest report on LEADER speaks for the first time about the methodology in terms of investments and not just costs. Do you think this change marks a before and after regarding the consideration or vision that many administrations have about LEADER? Why is evaluation so necessary?**

Answer: I would not speak of a pure and hard position, in the sense that what we have sought is evidence on the subject. What we seek with the evaluation is precisely to demonstrate – as far as possible and with all the limitations that methodologies have, which are not perfect – whether there is

an added value of LEADER. That is to say, we understand that LEADER has specific costs that have no other measures, and what has been tried is not only a comparison to understand what specific costs LEADER has, but to understand whether those specific costs produce benefits. And that’s what we found. **We have found benefits in terms of time for beneficiaries, thanks to LAG support, which could not be possible without those costs.** And we have also found a strong correlation in animation themes, with the limitation that the percentage allocated to animation in terms of costs remains low. And we believe, as a result of the study, that that should be improved.

But we do understand that the consideration of LEADER's costs, not as simple costs, but as something that produces a benefit in itself, is important, and that we do not know to what extent it will be able to change the consideration that others have. The message is clear, that is, **LEADER is not simply an extra cost, but should also be valued as an investment.** For example, we have calculated (you have to take it carefully, because they are always numbers that cannot be used suddenly) an average saving of **34 % of the time for the beneficiary**, compared to other measures. Anyway, there's room.

**Q: What synergies can be created in rural areas with the combination of other funds? How do you value the use of multifund?**

R: What we have seen is that, following the recent 'Study to Support the Assessment of the Costs and Benefits of the Implementation of LEADER', and the previously published 'Study to Support the Assessment of the Impact of LEADER on Balanced Territorial Development' – because the evaluation is based on both documents – is that the multifund is a very interesting tool for two things. **One, ensure the coherence of the local development strategy with other European policies.** And the second, **offers the possibility of obtaining additional funds for a strategy** that, with the numbers in hand, has come out that was four million euros for seven years on average. It's true that it's a



medium and that is not corrected with the power of purchasing parity, that must be taken into account, because it is not the same four million in Greece as in Sweden. But we understand that it is a way to raise more funds and get more strategies in line with the different regional and local development policies that exist.

**Q: As the study shows, do you think there is scope for further simplification of costs and payments? How do we improve, how do we further simplify the whole process, if there is still that margin?**

**Leader is not simply an extra cost, it should also be valued as an investment.**

R: I think there is room, because of what we have found on the question of simplification. We have focused the study on the use of simplified costs. Digitalisation of processes as much as possible. And the use of "umbrella" projects. That is, allow, having a project leader, that people who may cost more, can enter simplifying. The umbrella has been shown to be unclear to what extent they simplify. Because it is always a slowdown to wait for the last project to be finished. That aspect we believe should be improved. Because it is still a very interesting topic, not only for simplification, but also because of the concept itself of the "umbrella" project. As a very specific thing also of LEADER that generates added value. We understand that part important. But yes, above all, we believe that we can get more into that digitalisation.

On the other hand, we also understand that the **greater use of simplified costs** for projects – not for operating or animation costs – **has also covered.** It is true that for more complex projects

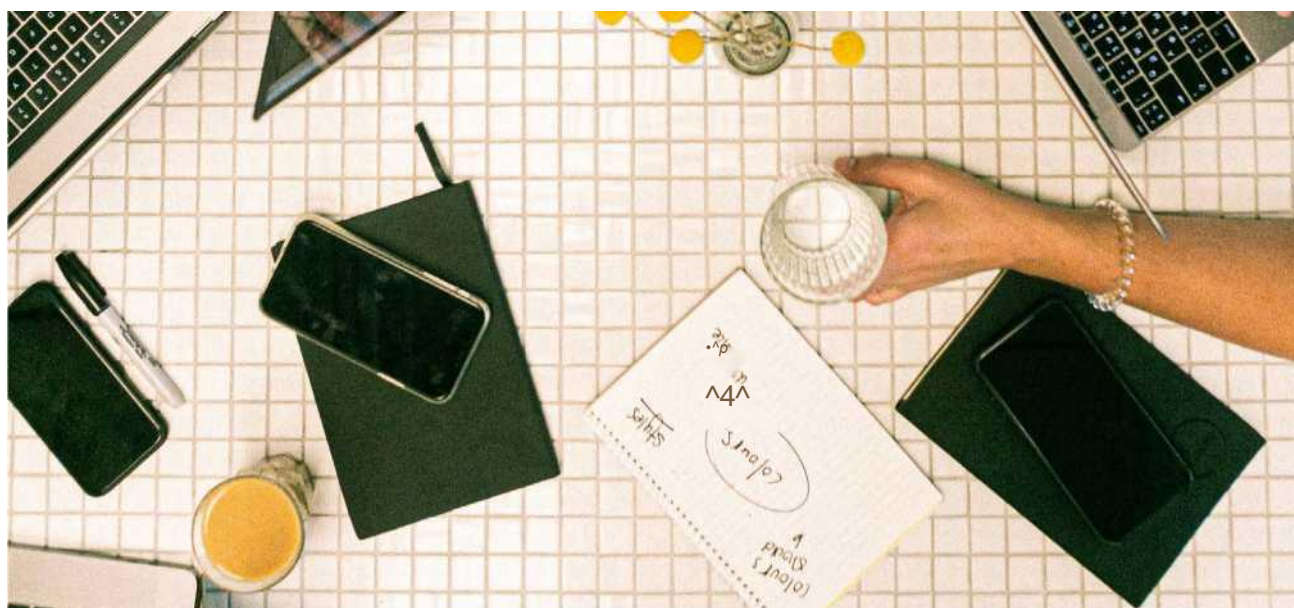
it is very difficult to find a simplified cost for everyone. There will always be something that will be complex, by its very nature. But we understand that also gives us scope and room.

‘The ditalisation as much as possible, it is a path to simplification.’

And then, in the part of administrative complexity, which is an interesting thing about the studies we have and the consultations we have done with the stakeholders, is that the administrative complication for the beneficiary is seen almost at the general level of the CAP. It's not such an exclusive thing of LEADER. An investment project under measure 4 can be just as complex as a project investments by LEADER.

**It's not a question of the kind of measure which you use, but of the complexity of the CAP.** And for that you need a simplification, a **simplistic vision at a broader level.** And then they have the part that is more exclusive to LEADER, which is the multi-governance system. A multilevel governance, where several actors enter and has to be very well greased. So, to facilitate that,

a very good definition of tasks is **needed to avoid duplication between the different actors of that multilevel governance.** A lot of support and very good communication between them is essential. That has also been very clear in the conclusions of the evaluation of the studies. And digitisation. Everyone has recognised in the study that wherever there is a good **IT system for administration issues**, simplification is being made and administrative burden is reduced. For everything that is administrative management, it helps a lot. And in that sense, and I link it a little with the evaluating part -because we always focus on the administrative simplification part, but when it is going to be evaluated or monitored, to follow up, it is also argued as complexity to collect the data-: with these management systems it is much simpler. Because most data are already held by Rural Development Groups (RDGs) and managing authorities. That is, type of project, number of beneficiaries, how many people are in GDR assemblies...







All that exists. The question is to be able to dispose of all this data through a computer system in an accessible way. I think that part has been widely recognised as one of the most efficient tools, followed by simplified costs.

I think those two aspects are where we can have the most room. Apart from a general simplification in CAP procedures, in general. But it is true that it works on both sides, for the Commission it implies greater ease, of course.

What's more, precisely linking to your first question, one of the good things about the specific costs of LEADER is that they result – and that is what we have found in the studies – in a shorter management time. Both for managing authorities, i.e. within governance, and for the beneficiary to be supported.

**Q: Do we know when these new indicators will be known to measure added value, how are you working and when do you think they can be used?**

## New indicators are expected to be available to measure leader added value in January or February.

A: Well, here I would like to distinguish two things. One is the data for monitoring and evaluation that are already published, with which, in fact, we are also working with the Member States to explain well how to report them and what will be done through the IT system that is used to report the indicators of the strategic plans.

Right there is going to be a **data set at the GDR level**, because one of the great limitations that we have encountered with

the studies are that it is all at the regional or national level, but not at the local level. We need that data locally, really, to capture the effects of LEADER. That was published last year, in September, and we call it the data for monitoring and evaluation. There is a specific LEADER dataset. And as a complement to that, work is being done with the European CAP network to be able to **assess LEADER from the point of view of LEADER's concept of added value.**

**These are the three elements of governance, social capital and best results.** That, if everything goes well, would be available by **January**. We have had a workshop now in Luxembourg that has served to give a further return to the concept. The Evaluation *Helpdesk* is finishing the guide and we hope to have a more or less definitive draft that can see the light in January or February maximum.

**Q: Another topic addressed in the report is the training of technical teams. How do you believe or how can the European Commission incentivise this process and on which specific lines?**

R: Well, regarding the first, which are the lines of formation, there we understand that there are two parts. A part that is the part of training regarding what are the mandatory tasks of the group, which comes by regulation, and there it is the subject of strategic planning, monitoring, animation of stakeholders, facilitation... processes that really go very much in line with added value. To support beneficiaries, to include more beneficiaries, to mobilise the local population, etc.



Then there is another part that is perhaps the most boring, I would say, of training, but very necessary, which is the part of training in administrative procedures. There it is very specific to the best for Spain, because not all countries have the same procedures.

There is a part where the level of skills that people working in groups have, to understand the administrative procedure and try to speed it up, is critical. I believe that training or training in both aspects is important.

And then how to make that support? At European level we are doing this through the European CAP network, in two respects. In an aspect that is the monitoring and evaluation part, which is what I dedicate most and our unit is dedicated, through *Evaluation Helpdesk*. And the other party, through what is called the *Contact Point*, which is the other branch of the network, which also works more directly with LEADER, because they also work or are responsible for energising the permanent subgroup of LEADER.

**There is a permanent subgroup**

**where all the issues that are going to LEADER are discussed.** I understand that at European level it is important for Spanish groups to have a presence in this subgroup and to see how more support can be obtained through the European network. And then, let all that go down to the national network. \* (REDR is a member of the LEADER Subgroup – next meeting 12 March 2024)

National networks are essential for supporting RDGs, as they are closer to the needs of groups within each national context. Then there's your strategy, your projects... But from the point of view of European and national networks, that's where we're putting out the rest the most. For us, just to highlight, this year has been the LEADER year in the evaluation part, because we have had the evaluation study, we have organised a specific working group to now draw out the guides on added value of LEADER and we have had the *workshop* to exchange good practices when evaluating LEADER. This year has been the year of LEADER. Let's hope that from there

comes something that is really useful to you and that you can use.

**Q: Returning to the *Study*, its conclusions suggest that greater funding for LEADER translates into a significant improvement in the quality of projects, improves speed, affects more beneficiaries, processes are accelerated and are more effective... Would it not allow greater funding to have a better LEADER in this period? Will this premise be taken into account in the next budgetary framework?**

R: What has also been detected in the study are economies of scale. But every economy of scale also has a limit. We haven't explored that.

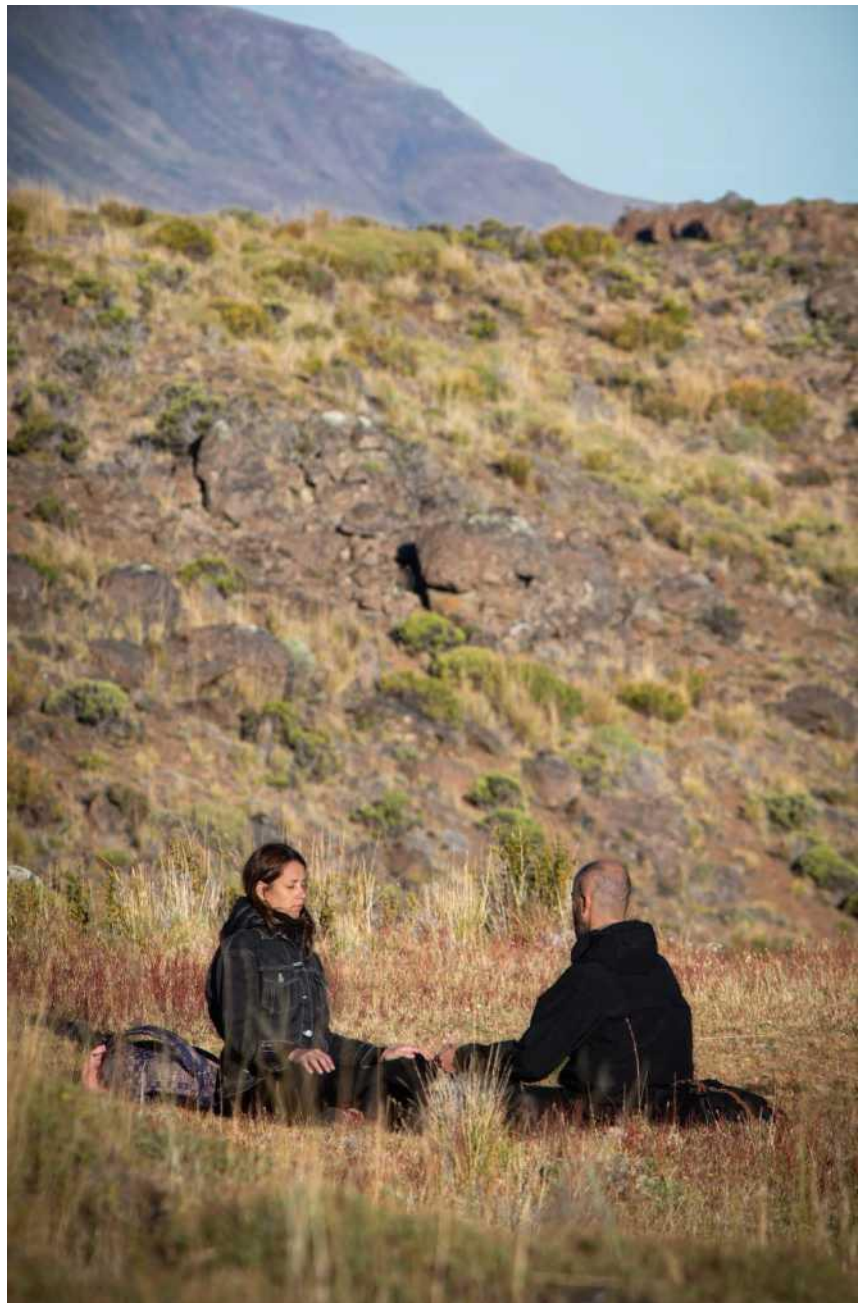
**We recommend exploring the possibility of increasing the GDR budget.**

Because you also have to see to what extent an increase in budget could accompany an increase in the area covered, for example, or not, that is, there are many variables to consider. You have to take it wisely. It is true that, as a recommendation, we have the one to explore the possibility of increasing the budget by GDR.

Now, ways to increase budget. The first and most immediate is the use of multifund. You don't need to increase the EAFRD game, maybe, but your budget. But that above all that counts is general politics. So, I wish our studio was so powerful as to say, hey, we're going to affect the MFF.

But we have to be modest and I think that what is interesting is what the study provides to think about the next framework for the regulation of LEADER within the CAP and with regional policy. **I do think that there is scope to take into account other options that do not necessarily have to go by increasing the EAFRD budget.** Let the multifund really integrate and become easier. One of the interesting things that has come out in the study, not only in this one, but in the previous one, is what is called leverage, which is the **ability to attract more funds to the LAG area-territory.** Either because you participate in other projects such as a LIFE, an INTERREG, other projects, or simply because the know-how is helping the beneficiaries to propose projects outside the LEADER strategy, getting funds from other sides. Go this way, over there... and in the end they get it.

The economy of scale at the level of operation of the group offers some room for improvement through budgetary increase, but the funds do not necessarily have to come from the strategy or the LEADER measure, but can come from other things. **And that's the other part that we should also see how to empower.** But I think the first step would be to see how to make multifund access a little more generalised, because that may involve more budgeting.



simply make the multifund more accessible and with that cover the necessary increase. And then, in view of the MFF (Multiannual Financial Framework), there the LEADER is not treated in a specific way. That is, the MFF discussions are very strategic and what will be discussed is the CAP in general.

What budget will be dedicated to the CAP? What budget for regional policy? In defense? That is, they are levels at which each policy is then defended and